



100 Civic Plaza
Dublin, California 94568
Phone: (925) 833-6650
Fax: (925) 833-6651

City Council
(925) 833-6650
City Manager
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Community Development
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Economic Development
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Finance/Admin Services
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Fire Prevention
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Parks & Community Services
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(925) 833-6670
Public Works/Engineering
(925) 833-6630



Below Market Rate (BMR) Program Applicant Qualifications

In order to proceed with the re-sale of a BMR Unit, a BMR Resale Application Packet must be submitted to the City's Housing Division once the Seller/Seller's Agent has determined eligibility. Upon the City's determination of eligibility for the Program, Seller/Seller's Agent shall receive a letter stating the maximum sale amount and further instructions to proceed with the sale.

Household Size & Income

Maximum Income & Household Size Limits (based on the 2011 Alameda County Area Median Income Limits):

| | <u>Household Size</u> | | | | | | | |
|--------------------------|-----------------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Extremely Low 30% | \$19,650 | \$22,450 | \$25,250 | \$28,050 | \$30,300 | \$32,550 | \$34,800 | \$37,050 |
| Very Low 50% | \$32,750 | \$37,400 | \$42,100 | \$46,750 | \$50,500 | \$54,250 | \$58,000 | \$61,750 |
| Low 80% | \$45,750 | \$52,300 | \$58,850 | \$65,350 | \$70,600 | \$75,850 | \$81,050 | \$86,300 |
| Median 100% | \$65,450 | \$74,800 | \$84,150 | \$93,500 | \$101,000 | \$108,450 | \$115,950 | \$123,400 |
| Moderate 120% | \$78,550 | \$89,750 | \$101,000 | \$112,200 | \$121,200 | \$130,150 | \$139,150 | \$148,100 |

Applicant(s) must provide sufficient documentation of Total Household Income to the City for use in determining the Applicants' income level. "Total Household Income" means the total income of all residents of the household, plus assets.

Household Members

Household members are defined as:

- Persons who hold title to the BMR Unit, appear on the mortgage, and have executed a Resale Restriction Agreement and Performance Deed of Trust for the unit; or
- Persons who are claimed as a dependent on the tax returns of a household member who satisfies the requirements in subsection above.

First Time Homebuyer

Applicant(s) must be a First Time Homebuyer, defined as a purchaser who has not previously owned a home, condominium or mobile home, whether as sole owner, tenant-in-common, joint tenant or in other form of ownership within the past three (3) years. The City, at its discretion, may consider displaced persons or other hardship cases to be within this definition.

Financing Requirements

All Applicants must be able to secure a loan through a lending institution for a BMR Unit. The City reserves the right to reject loan products if the City believes in its sole discretion that there is a stronger likelihood that the loan product would potentially result in loss of the BMR Unit due to the purchasers' inability to comply with the terms of the loan.

CalHFA or CalVA loan products for first mortgages are not available to purchase BMR Units; however a number of CalHFA loan products are permitted for second and third loans. Other loan products may be evaluated upon request. From time to time, the City will make available a list of acceptable loan products.

Acceptable first mortgages include fixed mortgages up to 40 years with a maximum 100% combined loan to value.

Down Payment

Applicants must provide a minimum down payment equal to three and a half percent (3.5%) of the purchase price from their own funds.

Buyer must deposit 3.5% of the purchase price of their own money into escrow prior to the close of escrow. **The 3.5% must be applied to the purchase price so the combined loan to value does not exceed 100%.** The 3.5% down payment may not be used towards closing costs.

The City reserves the right to reject down payment assistance products if the City believes in its sole discretion that there is a stronger likelihood that the down payment assistance product would potentially result in loss of the BMR Unit due to the purchasers' inability to comply with the terms of the assistance.

Credit

A credit check will be conducted on all adults (other than dependents) in the household. Applicants must have sufficient creditworthiness to qualify. Creditworthiness means that:

- All household individuals shall have a minimum of three years since Chapters 7 or 13 bankruptcy discharge date and/or foreclosure and evidence of reestablished credit is required; and
- All persons appearing on the mortgage shall have a minimum FICO credit rating of 620 points from all three credit agencies. The representative credit score is the middle score of the three sets of repository scores reported for each household member. If more than one eligible applicant is applying, all middle scores will be considered and the lowest of the middle scores shall be the score used in qualifying the household (must be 620 or higher).

Legal Residency

Applicants and all household members must be a citizen or other national of the United States or a qualified alien as defined by the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ("PRWORA").

Assets

An Asset Test will be applied to all Applicants to determine whether they satisfy the income requirements. If an Applicant has assets that exceed \$30,000, the following amounts will be added to the applicant's Gross Household Income to determine the household's Total Household Income:

- Ten percent (10%) of all assets between \$30,001 and \$130,000
- Thirty percent (30%) of all assets over \$130,000

The maximum assets allowed are \$250,000. Households with assets in excess of \$250,000 will be disqualified. Assets include, but are not limited to, cash, all savings and checking accounts, stocks, bonds, real estate, gifts and other sources of money. Pensions and federally approved retirement savings accounts, such as IRA's, Roth IRA's and 401K's, are excluded; however, retired Applicants who receive income from their retirement account must include such income as Gross Household Income on their application.

Fees

The BMR Owner/Seller must market the Unit and pay all fees associated with the sale of the Unit. The BMR Owner/Seller may resell the BMR Unit through a BMR Resale Program conducted by a for-profit or non-profit

organization, such as the Tri-Valley Housing Opportunity Center. If the Owner/Seller uses a Real Estate Agent, the Agent must contact the City to find out requirements for listing the property, and proper contact information. There is a \$1,500 City of Dublin Affordable Home Ownership Unit Processing Fee due at Escrow Closing on each sale and resale of a BMR. Payment can be negotiated between the Seller and Buyer.

Homebuyer Education Certificate

Homebuyer(s) must successfully complete a City approved BMR 8-hour Homebuyer Education Class prior to the close of escrow and must provide the City with evidence of completion.

The required First Time Homebuyer class is available at one of the three locations listed below. Please be advised that pre-registration is required to attend. Please be sure to indicate to the agency that the class is a requirement under the City of Dublin Below Market Rate Program.

TRI-VALLEY HOUSING OPPORTUNITY CENTER

141 N. Livermore Avenue
Livermore, CA 94550
(925) 373-3130
www.tvhoc.org

NEIGHBORHOOD HOUSING SERVICES

1156 North Fourth Street
San Jose, CA 95112
(408) 279-2600
www.nhssv.org

THE UNITY COUNCIL

3411 East 12th Street
Suite 200
Oakland, CA 94601
(510) 535-7177
www.unitycouncil.org

Fulfilling the above requirements is/are the sole responsibility of the Homebuyer(s). Failure to fully satisfy the above Program requirements may result in delay of Program Approval or Program denial as determined by the City's Housing Specialist.

For More Information

Please contact the Housing Division at (925) 833-6610 or visit the Housing Division's website at www.dublin.ca.gov/housing.



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www.dublin.ca.gov

RESALE BELOW MARKET RATE (BMR) UNIT VERIFICATION CHECKLIST

Requirements of Potential Buyers of a Below Market Rate Unit

*In order to proceed with the sale of your Inclusionary Unit, the following documentation must be submitted to City Housing Staff for approval at least thirty (30) days prior to the anticipated close of escrow date. All documentation must be collected by the Seller/Seller's Agent and submitted to the City of Dublin Housing Division for verification **prior** to the sale of the Unit. **Income verification must be received for all household members 18 and over who will be residing in the home.***

- ☐ Letter(s) of explanation (*suggested* for uncommon financial, employment, etc. situations)
- ☐ Application for Inclusionary unit
- ☐ If Buyer is claiming Preference Points, Preference Point Verification
- ☐ Signed Disclaimer for BMR Application for Inclusionary Unit
- ☐ Exhibit F (Disclosure Statement) of Resale Restriction Agreement
- ☐ Copy of Certificate of Completion of City-approved 8-hour Homebuyer Education Class (or proof of registration)
- ☐ Credit Report Authorization and Release
- ☐ Copy of tri-merge Credit Report
- ☐ A first loan pre-approval letter with Truth in Lending Statement and Good Faith Estimate (if provided)
- ☐ Copies of Identification
- ☐ A Sales Agreement between the Seller and Buyer showing the sales price and signed by both parties
- ☐ Copy of four (4) Most Recent Paycheck Stubs; Statements and/or Current Profit & Loss Statement if self-employed; Non-Income Affidavit if unemployed
- ☐ Copy of the last three (3) years' (including the most recent year) Federal Income Tax Return with all related Schedules (i.e. W2s); IRS Verification of non-filing (if applicable)
- ☐ Copy of three (3) most recent months' all financial institutions'/assets' statements
- ☐ Copy of full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability, death benefits, child support or public assistance whether or not they are declared on Income Tax returns; any other income not mentioned.

Please refer to the Below Market Rate Program Applicant Qualifications (enclosed), the Housing Division website (www.dublin.ca.gov/housing) or the Guidelines to the Inclusionary Zoning Ordinance Regulations (www.dublin.ca.gov/housing/izo) for more information

PLEASE CALL THE HOUSING DIVISION IF YOU HAVE ANY QUESTIONS: 925-833-6610



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2012 Alameda County Income Limits

Income Limit: Maximum amount of income a household can have in order to qualify for a below market rate unit.

Each development has a select amount of units set aside to sell below market rate. Units may fall into 3 categories, very-low, low and moderate income. To find out what type of units a particular development has, please contact the City of Dublin Housing Division at (925) 833-6610.

State income limits may go up from time to time. To check the current State income limits, log on to www.hcd.ca.gov and click on "Income Limits".

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|--------------------------|----------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|
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| Moderate 120% | \$78,550 | \$89,750 | \$101,000 | \$112,200 | \$121,200 | \$130,150 | \$139,150 | \$148,100 |

Household Size Limits:

The household size for each BMR Unit may not exceed two people for each bedroom and may not be less than one person per bedroom, unless otherwise permitted by special financing sources. The chart below contains the household size permitted for each BMR Unit based on the number of bedrooms:

| | |
|---------------------|-----------------------|
| Studio | 1-2 people households |
| One-bedroom units | 1-2 people households |
| Two-bedroom units | 2-4 people households |
| Three-bedroom units | 3-6 people households |
| Four-bedroom units | 4-8 people households |



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DISCLAIMER FOR BMR APPLICATION FOR INCLUSIONARY UNIT

As part of the review process, Applicant(s) will be contacted directly to provide verification of their residence and employment history; and evidence supporting any or all of the status items checked above.

The undersigned acknowledge that reasonable efforts may be made to verify employment, residence and other information provided in the application, including, without limitation, contacting the Applicant's employers or other sources of income to confirm the income information provided.

The undersigned hereby acknowledge that they have read the enclosed information and understand that neither acceptance as a participant in the application process, nor the receipt of any particular application number, constitutes a guarantee that the undersigned will be able to purchase a Below Market Rate (BMR) home.

The undersigned hereby represent and warrant that the information provided in this application is true, complete and correct, and the undersigned fully understand that to knowingly make a false or misleading statement or to knowingly fail to disclose material information in or concerning this application, will result in the City's denial of this application, the Applicant's disqualification from eligibility for the program, and the possibility of an action for fraud.

The undersigned acknowledge that the Seller and the City will rely upon this application in evaluating their eligibility for the purchase of a BMR home, and the undersigned authorizes the Seller, the Seller's affiliate, and/or the City of Dublin to order credit report(s) to evaluate their current credit worthiness and to verify the Information requested in the application.

APPLICANT(S)

Print Name

SSN

Signature

Date

Print Name

SSN

Signature

Date

SAMPLE RESALE RESTRICTION DISCLOSURE

**EXHIBIT F
DISCLOSURE STATEMENT**

THERE ARE RESTRICTIONS ON THE SALE OF THE PROPERTY YOU ARE BUYING. EXCEPT FOR A TRANSFER TO THE CITY FOLLOWING CITY'S EXERCISE OF ITS OPTION TO PURCHASE, THIS PROPERTY MAY ONLY BE SOLD TO AN "ELIGIBLE HOUSEHOLD" AT A PRICE NOT TO EXCEED THE ADJUSTED RESALE PRICE WHICH IS CAPPED AT AN "AFFORDABLE UNIT COST."

THIS MEANS THAT YOU MAY NOT SELL THE PROPERTY FOR MARKET VALUE TO WHOMEVER YOU LIKE.

THESE RESTRICTIONS WILL BE IN EFFECT UNTIL * (**this date will be filled in on the original Restriction Agreement, it will be either 30 or 55 years, or perpetual from the date of first sale of the Unit, depending on the development*). **ANY SALE OF THE PROPERTY IN VIOLATION OF THE RESTRICTIONS, SHALL BE VOIDABLE AT THE ELECTION OF THE CITY.**

TO DETERMINE WHO AN ELIGIBLE HOUSEHOLD IS, AND WHAT THE ADJUSTED RESALE PRICE AND AFFORDABLE HOUSING COST ARE, YOU SHOULD CONTACT THE **HOUSING DIVISION** OF THE CITY OF DUBLIN.

YOU SHOULD READ THE **RESALE RESTRICTION AGREEMENT AND OPTION TO PURCHASE** RECORDED AGAINST THE PROPERTY. YOU MAY OBTAIN A COPY FROM THE CITY OF DUBLIN OR FROM THE ESCROW COMPANY.

YOU SHOULD ALSO BE AWARE THAT A **PERFORMANCE DEED OF TRUST** WILL BE RECORDED AGAINST THE PROPERTY TO ENSURE COMPLIANCE WITH THE RESALE RESTRICTION AGREEMENT AND OPTION TO PURCHASE. YOU MAY OBTAIN A COPY FROM THE CITY OF DUBLIN OR FROM THE ESCROW COMPANY.

I HAVE READ THE FOREGOING AND I UNDERSTAND WHAT IT MEANS.

BUYER

BUYER

Please sign this disclosure and include it in your application packet. If you are chosen to purchase a home, you will be required to sign it again. This sample disclosure is not binding.



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CREDIT REPORT AUTHORIZATION AND RELEASE

The Borrower(s) identified below hereby authorize the City of Dublin (the "City") to obtain from any credit reporting agency selected by City, a standard credit report and such financial and other information City considers appropriate to evaluate the undersigned's application for participation in the City's home purchase and/or home financing programs (the "Programs"). The undersigned also:

(i) authorize the City to release to credit reporting agencies a copy of the undersigned's application, including financial information, income, assets, liabilities, employment and other information that the Borrower(s) have provided to the City in connection with their application to participate in the Programs.

(ii) authorize the City and credit reporting agencies to verify information contained in the undersigned's application to City and in other documents provided in connection with the undersigned's application to participate in the Programs, and to verify and obtain such information necessary to complete the Borrowers' credit report, including without limitation, verification of past and present employment, earnings, rents, mortgages, savings and other bank accounts, income tax returns, stock holdings and other assets, and liabilities, including without limitation, mortgages, auto loans, personal loans, credit cards and lines of credit as the City deems necessary to process the undersigned's application.

The Borrower(s) agree that a photocopy of this form will also serve as authorization, and that the City may undertake the actions hereby authorized both prior to providing approval for participation in the Programs and as part of subsequent eligibility and compliance monitoring.

The Borrower(s) ☐ **DO** ☐ **DO NOT** authorize City to share with potential mortgage lenders and/or home loan counseling agencies the information provided in connection with the undersigned's application for participation in the Programs and the credit report that City obtains in connection therewith. Such lenders and counseling agencies may contact the undersigned to discuss home loans and counseling services for which the undersigned may be eligible. This consent to disclosure may be revoked by delivery of written notice to City.

BORROWER(S)

Print Name

Social Security Number

Signature

Date

Print Name

Social Security Number

Signature

Date